PSUs to meet their operational needs and critical capital expenditure, During the last three years, the budgetary support extended to these undertakings has been as follows:—

(Rs ./Crore)

	1997-98	1998-99	1999-2000
HFC	*184.34*	178.00	187.19
FCI	318.15	305.00	153.00
PPL	15.00	10.00	10.00
PPCL	06.00	01.50	25.00
MFL	—	61.00	20.00
FACT	37,88	19.22	35.00
PDIL	02.00	—	—

Lifting of restriction on import of urea

629. SHRI DIPANKAR MUKHERJEE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether quantitative restriction on import of urea is being lifted as per obligations to WTO;

(b) if so, the time limit by which the restriction is being lifted;

(c) the impact of the same on domestic urea producing units; and

(d) the action contemplated by Government *to* protect domestic industry?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAJS): (a) and (b) Yes, Sir. According to the agreement reached with United States *of* America (USA) in December, 1999 following the ruling of the Dispute Settlement Body of the World Trade Organisation (WTO), quantitative restrictions will have to be lifted on urea with effect from 1.4.2001.

(c) and (d) The Government has set up a "Task Force" under the Chairmanship of Secretary, Department of Fertilizers to study the

impact of removal of Quantitative Restrictions (QRS) on urea and evolve strategy for combating its adverse impact, if any. The recommendations of Task Force will form the basis for further action by the Government to protect the domestic industry by levying of tariffs on imports and such other measures as are necessary.

Retention Pricing Scheme of Fertilizers

630. SHRI VEDPRAKASH P. GOYAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what is the logic behind retaining the Retention Pricing Scheme (RPS) to provide subsidy;

(b) whether it has proved effective in containing the prices and providing benefits to fertilizer consumers;

(c) to whom the subsidy money goes-producers or the consumers of fertilizers and who gets how much; and

(d) whether Government plan to address the subsidy on long term basis so that common man gets the maximum benefit?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) Introduced on November 1, 1977, on the recommendations of the Marathe Committee, Retention Price-cum-Subsidy Scheme has served the twin objectives of making urea available to farmers at affordable prices while ensuring the growth of fertilizer industry .by providing to the industry a fair and assured post tax return over the cost of production.

(b) The farm gate prices of urea are fixed by the Government keeping in mind its affordability to the farmers.

(c) While the farmers have to pay the notified farm gate price which is below *tLi* weighted average cost of production of the urea units, the scheme provides that the production units get their cost of production plus return as assured under the scheme.

(d) Keeping in tune with the policy of economic liberalisation and reforms, all other fertilizers except urea have already been freed from